

Message Text

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ACTION EUR-12

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AMEMBASSY PARIS

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EO 11652: N/A

TAGS: PINT, PO

SUBJECT: MINISTER WITHOUT PORTFOLIO VICTOR ALVES ANALYZES
RESULTS OF PORTUGUESE PROVISIONAL GOVERNMENT

SUMMARY: MAJOR VICTOR ALVES, ONE OF THE MILITARY LEADERS OF
THE APRIL 25 ARMED FORCES MOVEMENT (AFM) AND CURRENTLY MINISTER
WITHOUT PORTFOLIO, PRESENTED A TELEVISED REPORT TO THE NATION
OCTOBER 28 ANALYZING THE THREE MONTHS' LABOR OF THE SECOND PRO-
VISIONAL GOVERNMENT, WHICH REPLACED THAT OF PRIME MINISTER PALMA
CARLOS. MINISTER ALVES' SPEECH PORTRAYED THE ACCOMPLISHMENTS
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OF THE PRESENT GOVERNMENT AS EXTENSIVE IN SCOPE, MODERATE IN

ORIENTATION, DESIGNED TO IMPROVE SOCIAL JUSTICE, AND ELIMINATE THE ARBITRARY ABUSES OF THE SALAZAR/CAETANO REGIMES. END SUMMARY.

1. IN A MODERATELY PHRASED ADDRESS TO THE NATION, MINISTER ALVES STATED THAT THE SECOND PROVISIONAL GOVERNMENT HAS DIRECTED ITS EFFORTS TO THE FOLLOWING MAJOR AREAS (HIGHLIGHTS ONLY):

(A) CLEANING UP AFTER THE PREVIOUS (CAETANO) REGIME BY INTER-MINISTERIAL COMMISSIONS AS TYPIFIED BY THE REPLACEMENT OF THE PREVIOUS CIVIL GOVERNORS AND THE DISMANTLING OF THOSE ORGANIZATIONS TYPICAL OF THE CORPORATE STATE APPARATUS. CORRUPTION IS BEING FOUGHT AND A NATIONAL COMMISSION OF INQUIRY ESTABLISHED TO CORRECT PAST INJUSTICES AND ABUSES OF POWER.

(B) STRENGTHENING OF CIVIL LIBERTIES AND THE JUDICIAL POWER BY UNDERTAKING TO REFORM THE JUDICIAL SYSTEM AND GIVE IT GREATER INDEPENDENCE AND BY A SERIES OF DECREES GRANTING FREEDOM OF ASSOCIATION, A NEW PRESS LAW, RECOGNITION OF THE RIGHT TO STRIKE AND OF LOCK-OUT. AN ELECTORAL LAW HAS BEEN SENT TO THE COUNCIL OF STATE FOR APPROVAL. GREATER RECOGNITION IS GIVEN TO FOREIGN DEGREES AND PROFESSIONAL TRAINING.

(C) COMBAT INFLATION AND REATIONALIZATION OF THE ECONOMY BY PROGRAMS DESIGNED TO INCREASE SAVINGS BY HIGHER INTEREST RATES, REDUCE DOWN-PAYMENTS FOR HOUSING (CURRENTLY RUNNING A NORMAL 50 PERCENT OF PURCHASE PRICE), ENCOURAGE LOW-COST HOUSING COOPERATIVES, AND ELIMINATE DISCRIMINATORY COMMERCIAL ADVANTAGES AND PROTECTION GIVEN TO FAVORED INDUSTRIAL FIRMS. SOME PRICES HAVE HAD TO BE INCREASED TO ENCOURAGE THE AGRICULTURAL SECTOR AND FOR PETROLEUM PRODUCTS.

(D) A MODERATE FISCAL REFORM HAS BEEN IMPLEMENTED AND TAX EVASION DISCOURAGED BY INCREASING THE PENALTIES FOR TAX FRAUD AND EVASION.

(E) THE THREE BANKS AUTHORIZED TO EMIT CURRENCIES, THE BANCO DE ANGOLA, BANCO NACIONAL ULTRAMARINO AND THE LIMITED OFFICIAL USE

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BANCO DE PORTUGAL, EACH PREVIOUSLY PARTLY PRIVATELY OWNED, HAVE BEEN NATIONALIZED. THE PROPOSED DOWNSTREAM PETROCHEMICAL COMPLEX AT SINES WILL HAVE MAJORITY GOVERNMENT OWNERSHIP IN ORDER TO CREATE AN INDUSTRY ON A EUROPEAN SCALE.

(F) ATTENTION GIVEN TO IMPROVING SOCIAL JUSTICE INCLUDES ESTABLISHMENT OF "13TH MONTH" FOR WAGE EARNERS, THE CONTINUING RIGHT TO SOCIAL BENEFITS AND HEALTH SERVICES BY

UNEMPLOYED WORKERS, AND THE REVOCATION OF EXCESSIVE PENSIONS GRANTED TO EX-OFFICIALS BY THE PREVIOUS REGIME. HEALTH AND WELFARE SERVICES TO BE IMPROVED BY COMBINING THEM INTO AN INTEGRATED SOCIAL SECURITY SYSTEM.

(G) FOREIGN POLICY OF THE PROVISIONAL GOVERNMENT HAS BEEN TYPIFIED BY EXPANSION OF RELATIONS WITH COMMUNIST COUNTRIES (USSR, CZECHOSLOVAKIA, ROMANIA, GDR, BULGARIA, YUGOSLAVIA, HUNGARY, POLAND) AS WELL AS TO INDIA, SENEGAL, TUNISIA AND GUINEA-BISSAU. RELATIONS ARE ABOUT TO BE ESTABLISHED WITH MOROCCO, LIBYA, MONGOLIA, INDONESIA, AND, EVENTUALLY WITH THE REPUBLIC OF CHINA. AT THE SAME TIME NEGOTIATIONS WITH THE UNITED STATES CONTINUE FOR BASE RIGHTS IN THE AZORES IN EXCHANGE FOR TECHNICAL/ECONOMIC BELEFITS. COMMERCIAL, CULTURAL, AND TECHNICAL AGREEMENTS ARE UNDER STUDY WITH "COUNTRIES OF THE EAST, CUBA, AND AFRICAN COUNTRIES." PORTUGAL HAS RESPECT IN THE UNITED NATIONS AND INTERNATIONAL ORGANIZATIONS AS A RESULT OF ITS NEW DECOLONIALIZATION POLICY.

(H) DECOLONIALIZATION HAS BEEN EXEMPLIFIED BY RECOGNITION OF THE INDEPENDENCE OF GUINEA-BISSAU, THE ACCORD OF LUSAKA WITH FRELIMO AGREEING ON INDEPENDENCE FOR MOZAMBIQUE JUNE 25, 1975, CONTACTS WITH LIBERATION MOVEMENTS IN ANGOLA TO ARRANGE A CEASE-FIRE, AS WELL AS DECREES LOOKING TOWARD DEMOCRATIZATION AND SELF-DETERMINATION FOR THE CAPE VERDES, SAO TOME AND PRINCIPE, MACAU, AND TIMOR.

(I) IN SUMMARY, DEMOCRACY MUST BE WON DAY BY DAY BY THE AFM AND THE PORTUGUESE PEOPLE AND IS ONLY VIABLE WHEN THE LIBERTY OF EACH INDIVIDUAL IS BASED ON A RESPECT FOR LAW AND THE RIGHTS OF OTHERS. END OF SPEECH HIGHLIGHTS.

2. COMMENT: MINSSTER ALVES' SPEECH WAS OBVIOUSLY DESIGNED LIMITED OFFICIAL USE

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TO CALL ATTENTION TO THE ACTIONS OF THE PROVISIONAL GOVERNMENT SO THAT IT MAY BE JUDGED BY WHAT IT HAS DONE. CONSIDERING THE CONDITIONS FROM WHICH IT STARTED IT IS A RECORD FOR WHICH THE GOVERNMENT MAY EXPRESS SOME JUSTIFIABLE PRIDE.

3. FULL TEXT OF ALVES' SPEECH POUCHED TO EUR/IB.
SCOTT

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